

**PRELIMINARY STAFF MEASURE SUMMARY**

**House Committee On Revenue**

**Fiscal:** May have fiscal impact, but no statement yet issued

**Revenue:** May have revenue impact, but no statement yet issued

---

**Action Date:**

**Action:**

**Meeting Dates:**

**Prepared By:** Chris Allanach, Senior Economist

---

**WHAT THE MEASURE DOES:**

Creates a pilot program to modify how certain taxpayers receive dependent care tax credits. Eligible taxpayers are those who also receive benefits under the Supplemental Nutrition Assistance Program. Tax credits would be received as direct payments from the Department of Human Services during the tax year. Effective for tax years 2015 through 2020 and disbursements made between January 1, 2016 and December 31, 2021.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

This bill applies to the existing Child and Dependent Care (CDC) tax credit and the Working Family Child Care (WFCC) tax credit. The Child and Dependent Care tax credit may be as much as 30 percent of eligible child care expenses, which are limited to \$3,000 for one child and \$6,000 for two or more children. The Working Family Child Care tax credit may be as much as 40 percent of eligible child care expenses, which are not limited. The former tax credit is nonrefundable while the latter is refundable. For tax year 2013 full-year filers, the average CDC was \$221 and the average WFCC was \$833.